

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Rural Development – National Rural Employment Guarantee Scheme –
A.P. Conducting of Social Audit – Rules – final notification - Issued.

PANCHAYAT RAJ AND RURAL DEVELOPMENT (RD.II) DEPARTMENT

G.O.Ms.No.98

Date:9-03-2010

Read the following:

1. G.O.Ms.No.27 PR&RD(RD.II) Dept., dt.28.01.06.
2. From the Jt. Secy.(NREGA) GOI, MORD,(NREGA Division)
Lr.No.J-11060/9/2006-NREGA(Pt.), dt.15.11.07.
3. G.O.Ms.No.550, PR&RD(RD II) Dept., dt. 06.12.2007.
4. G.O.Ms.No.317, PR&RD(RD II) Dept., dt. 22-08-2008.

ORDER:

Whereas, the Government is committed to the transparent implementation of the National Rural Employment Guarantee Act, 2005(Central Act No.42 of 2005); (henceforth NREGA 2005).

And whereas, Section 17 of the National Rural Employment guarantee Act, 2005 provides for regular 'Social Audits' so as to ensure transparency and accountability in the Scheme. In this regard, sub-section (2) of section 32 of the NREGA, 2005 mandates that the State Government can make rules of "any other matter which is to be, or may be, prescribed, (wherein "prescribed" means prescribed by rules made under this Act) or in respect of which provision is to be made by the Central Government by rules". To ensure transparency and accountability at all levels in the implementation of the Scheme, sub-section (3) of section 23 of NREGA, 2005 mandates that "The State Government may, by rules, determine the arrangements to be made for the proper execution of Schemes and programmes under the Schemes to ensure transparency and accountability at all levels in the implementation of the Scheme;

And whereas, it is intended that social audits are to be conducted in an impartial and objective manner and that the findings of the same may be presented without any dilution and action would be taken to address the gap there of with an aim to strengthen the scheme.

Whereas a preliminary notification of the draft rules for conduct of social audit has been issued vide reference cited 5 above and after obtaining feedback from various quarters, the Rules have been finalised with due modifications and have become final.

Accordingly, the following notification will be published in the extraordinary issue of the Andhra Pradesh Gazette, dated:9-03-2010.

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section 32 read with sub-section (3) of section 23 of the National Rural Employment Guarantee Act, 2005 (Central Act No:42 of 2005) and sub-paragraph (14) of Paragraph 6 of Andhra Pradesh Rural Employment Guarantee Scheme (APREGS) notified by the State Government in G.O. Ms. No. 27, P.R. & R.D. (R.D.II) Dept., dt 28.1.2006 read with sub-paragraph (16) of Paragraph 6 of the modified NREGS. A.P. 13-12-2007 notified in G.O. Ms. No. 550, P.R. & R.D. (R.D.II) Dept., dt. 6/12/2007, the Governor of A.P. hereby makes the following rules to establish Social Audit as an open and inclusive Monitoring & Evaluation (M&E) tool under the National Rural employment Guarantee Act and also as a means to increase transparency and accountability in administration. It is expected that the social audit exercise will educate the primary stakeholders to verify the records themselves and to enable them to conduct similar exercise by themselves.

1. Short Title

These rules may be called the National Rural Employment Guarantee Scheme – AP Social Audit Rules, 2008.

2. Definitions

In these rules unless the context otherwise requires:-

- (a) "Act" means the National Rural Employment Guarantee Act, 2005. (Central Act No.42 of 2005)
- (b) "Civil Society" means any village community, non-official public spirited group or individuals who expressed in writing an interest or choose to participate in the public vigilance process in general and Social Audit process in particular.
- (c) "Commissioner" is the Commissioner of Rural Development who is responsible for taking follow up action on the findings of the social audit at the State level which could not be resolved at the Mandal Public Hearings.

- (d) "District Programme Coordinator" means the District Collector who is responsible for facilitating the conduct of social audit in the district, for smooth conduct of Social Audit Gram Sabhas and to take follow up action on the social audit report in the Mandal Public hearings.
- (e) "Government" means the State Government of Andhra Pradesh.
- (f) "Gram Sabhas" shall ordinarily mean a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of Panchayat at the village level as defined in the Constitution of India or A.P. Panchayat Raj Act, 1994 and rules made there under. However, for Social Audit purposes, Gram Sabha could mean meeting of one ward, village or habitation constituting residents of part of a Panchayat.
- (g) "Implementing Agency" includes any department of the Central Government or State Government, Zilla Parishad, Panchayat at intermediate level, Gram Panchayat or any local authority or Government or authorized by the Central Government or the State Government- to undertake the "implementation" of any work taken up under the NREGS
- (h) "Mandal" means a community development area within a District comprising a group of Gram Panchayats.
- (i) "Minimum wage" in relation to any area, means the minimum wage fixed by the State Government under section 3 of the Minimum Wages Act, 1948 for agricultural labourers as applicable in that area.
- (j) "Notification" means notification published in the Andhra Pradesh Gazette and the word "notified" shall be construed accordingly.
- (k) "Official Functionary" shall mean all public servants either appointed by Government or elected by the public holding public office.
- (l) "Primary Stakeholder" means the wage seekers and their families who have worked under the EGS, and residents of the village where the EGS works are being carried out.
- (m) "Programme Officer (PO)" means the Mandal Parishad Development Officer
- (n) "Resource Persons" mean the persons who will carry out the training and capacity building process for the Social Audit process.
- (o) "Social Audit Gram Sabha" is the special Gram Sabha to be held at least once every six months for this purpose. (Gram Sabha procedures regarding quorum, chair, announcement

etc. would also apply to the Social Audit Gram Sabha). All words and expressions used but not defined in these rules have meaning assigned to them under the National Rural Employment Guarantee Act, 2005.

- (p) "Social Audit of a Scheme" means auditing of a scheme by the primary stakeholders of the Scheme or with the active involvement of the primary stakeholders of the scheme. In context of National Rural employment Guarantee Scheme - AP, Social Audit includes verification of works, or facts on ground vis-à-vis official records taking into account the recorded or oral evidence, which is aided and facilitated by civil society organizations and/or Government.
- (q) "Government Orders / Memos / Executive Instructions" means the orders issued by the Government of Andhra Pradesh to indicate the process to be followed during a Social Audit.
- (r) "Social Auditors" means the members from the labourers' families or labourers themselves who shall be identified by the resource persons in an open Gram Sabha, trained in Social Audit processes and who will carry out the Social Audits and present the findings in the Social Audit Gram Sabha.
- (s) "Society" means the Society for Social Audit, Accountability and Transparency (SSAAT) registered under the Societies Act and which is the apex body at the State level for overseeing the process of social audits in mandals.
- (t) "Village Organisation of SHGs" means the federation of all SHGs at the village level facilitated by the Society for Elimination of Rural Poverty (SERP)
- (u) "Ward Sabha" means the meeting held at the ward level defined by the A.P. Panchayat Raj Act/Rules.
- (v) "Zone" is a cluster of adjoining districts as defined by Government in Panchayat from time to time.

3. The Social Audit Resource Base:

In order to provide support to the Gram Sabhas to carry out the functions as described in the Act in sections 15 & 17, the State Government shall facilitate a resource base in the following manner.

- a) A social audit unit which is independent of the implementation structure shall be responsible for coordinating the social audit processes in the state.
- b) The Rural Development Commissionerate shall enter into an MOU with the unit which will be headed by a Government officer and consist of senior resource persons, for conduct of social audits.

- c) State Resource Persons (SRPs) are drawn from Civil Society Organizations who are having experience and worked on strengthening and establishing people's rights at the grass root level and who are specifically trained in the social audit processes. They will be the resource base at the State and District level for carrying out training and capacity building in social audits on an ongoing basis.
- d) District Resource Persons (DRPs) are social activists selected from Civil Society Organizations and from the field level persons who have participated in social audits. The DRPs are allocated for conduct of social audit selecting randomly within the zone.
- e) Village Social Auditors (VSAs) help the DRPs in conduct of the social audit by mobilizing the primary stake holders for participating in the social audit. They shall not conduct any audit in their native village and shall be allotted for social audit on a random basis.
- f) Identification of various Social Auditors and their training shall be done as per the Government Orders, Memos and Executive Instructions issued by the State Government from time to time.

4. Periodicity of social audit:

- a) The Social Audits of the National Rural Employment Guarantee Scheme shall be carried out in every mandal at least once in every 6 months.
- b) The schedule for conduct of social audits for each month will be decided at the beginning of every year by the Society in consultation with the district administration.
- c) Social audit in a mandal shall be taken up in all the villages simultaneously.

5. Filing of Application for relevant official records:

The Social Audit Team will file an application before the Program Officer under the Right to Information Act, 2005, for relevant information on the Employment Guarantee Scheme in Form I at least a fortnight before the Social Audit commences.

- a) The records called include the following details: Shelf of Works, GP resolutions, Technical Estimation and Sanction (work wise), Administrative Sanction, Work commencement order, Muster Rolls, Pay orders, Measurement sheets, Work done report, Material payment vouchers and bills, Consolidated Muster roll, and the Final report.

- b) The **Programme Officer shall provide** the required information within 7 days of the receipt of the application without fail.
- c) Failure to provide records will automatically result in disciplinary action on the Programme Officer, apart from penalties under the RTI Act.
- d) Whereas disciplinary action shall be taken on such programme officers who do not furnish the records to the social audit team, without wasting time, the social audit team should collect the required data from online database and start their social audit. Under no circumstance, the conduct of social audit be postponed on this ground.

6. Information on the Social Audit:

- a) The Program Officer shall notify in writing to all the Public Representatives and also concerned staff implementing the National Rural Employment Guarantee Scheme well in advance to ensure that they are kept informed about the process and are present at the Social Audit Gram Sabha as well as the Mandal level Public Meeting.
- b) He shall also inform the Sarpanch to convene social audit Gram Sabha on the expected date of completion of social audit.

7. Social Audit process in the village:

As a part of the Social Audit of National Rural Employment Guarantee Scheme in the village the following activities are undertaken:

- a) Thorough verification of Muster Roll entry and payments made in the time period specified for Social Audit by establishing contact with the wage seekers whose names are entered in the muster rolls;
- b) Work site verification;
- c) Focused group discussions and holding of Ward Sabhas / habitation meetings with the primary stakeholders including special meetings in the Scheduled Caste/Scheduled Tribe localities on various aspects of the implementation of the National Rural Employment Guarantee Scheme;
- d) Recording the written statements of the labourers on any issue as well as filling of the Social Audit formats and writing reports.

8. Social Audit Gram Sabhas:

- a) After completing the social audit, the social audit team shall hold a social audit Gram Sabha for which the date shall be fixed well in advance.
- b) Sarpanch of the Gram Panchayat shall convene the Gram Sabha as per the requisition of the social audit team.
- c) The primary stakeholders and the village community shall be informed about the Social Audit Gram Sabha by the social audit teams as well as the Administration to ensure full participation.
- d) In the Social Audit Gram Sabha, the following items shall be deliberated:
 - i) Findings of the social audit would be read out and the responses if any shall be recorded.
 - ii) Informing people about their rights and entitlements under the Act.

9. Mandal Social Audit Public hearing:

As a culmination of the social audit process in the Mandal, after the Gram Sabhas are held in all the villages a social audit public meeting will be held at the mandal head quarters. The wage seekers, Peoples' representatives, the official functionaries of the EGS and the media may participate in the meeting. The meeting will be conducted as follows:

- a) District Programme Officer shall be responsible for making arrangements for the smooth conduct of the mandal public hearing.
- b) District Programme officer shall nominate a senior officer not less than the rank of the Additional District Program Coordinator for presiding over the public hearing.
- c) All the Public functionaries involved in implementation of social audit in the mandal shall be invited by the programme officer for the meeting, along with all the primary stakeholders.
- d) In the meeting, the action taken report on the last social audit conducted will be read out. After this, the current Social Audit findings will be read out village-wise and the concerned official functionary shall respond to each of the issues identified in the social audit by giving a clarification or an explanation to the affected party and the public as to why a certain action was taken or not taken. In case of inability to carry out rectification action in the meeting, the Official functionary will specify the time period and nature of action to

be taken by him/her to rectify a gap or a lapse in the implementation as the case may be.

- e) The senior officer presiding over the meeting shall announce the decision on each finding of the social audit in the public hearing after the evidence is presented by the social audit team and the version of the official functionary is heard. In cases of gaps, lapses or deviations, the senior officer shall fix responsibility and take immediate corrective or disciplinary action as prescribed from time to time by the Government.
- f) In the event the presiding officer decides on a disciplinary action, the process as outlined in the conduct rules shall be started by issuing charge memo within 7 days from the date of completion of the Mandal Public hearing. After giving opportunity for personal hearing and considering the explanation given by the functionary, final orders shall be passed in each case within 30 days from the date of completion of mandal public hearing.
- g) In cases of grave offences where any person is found to have misappropriated amounts exceeding Rs 1 lakh, the presiding officer shall order registering criminal case under relevant provisions of Indian Penal Code, in addition to departmental action if any. The case has to be filed by the Programme Officer in the Police Station and APD shall monitor action in the matter.
- h) Where the persons found to have misappropriated funds repay the same in the public hearing, the same shall be deposited in the account designated by the Commissioner and a receipt issued to the person then and there. If the amounts so recovered rightfully belong to wage seekers, the same shall be returned to them within 7 days from the date of recovery of such money.

10. Concurrent social audit:

- a) Social audit has to be an ongoing process of public vigilance. Therefore, the statutory requirement of carrying out Social Audits twice a year shall facilitate independent initiatives by the primary stakeholders to carry out independent Social Audits as per the demand of the wage seekers.
- b) For this purpose, after the completion of the social audit in the village, the Village Social Auditors (VSAs) in the village along with the other primary stakeholders would undertake social audit concurrently **at least once a month** and on their

own by following the process of social audit in Rule 5 (a) and (b) above.

- c) Government agencies shall support such initiatives by providing copies of records as per RTI Act.
- d) Reports submitted in such a process shall form part of the record, and shall be responded to by the implementing agencies.
- e) Where shortcomings are found immediate action must be taken as per these rules. The report of the concurrent social audit as well as the action taken report must be placed before the next Gram Sabha.
- f) For following up on the findings of social audit and provide hand-holding support to the process, there shall be a monthly meeting at mandal level with all the VSAs who have done concurrent social audit. Prompt action shall be initiated on all the observations made in the concurrent social audit in the monthly meeting by the Programme Officer.

11. Follow up action:

It shall be the responsibility of the District Programme Officer and the Commissioner to take follow up action on the social audit observations. In this context, the following shall be ensured:

- a) Any issue which is raised during a Social Audit or any item in the Social Audit report that indicates a contravention of the Act or a shortcoming in the implementation of National Rural Employment Guarantee Act should automatically be interpreted as a "complaint" under the Grievance Redressal Section of the National Rural Employment Guarantee Act, 2005.
- b) The DPO shall ensure that action shall be completed as per the social audit observations finalised in the mandal public hearing within 14 days from the date of completion of the public hearing.
- c) Where there is a dispute in the findings of the Social Audit the administration shall cause an enquiry and shall decide on the issue at the earliest and not later than one month
- d) All cases remain unresolved for 15 days from the date of conduct of the public hearing shall be taken up by the Commissioner for follow up and effective resolution.
- e) Wherever, in the course of a Social Audit, if evidence, through written and oral testimonies against those who have misappropriated money is established, action shall be initiated for recovery. This action for recovery shall be without

prejudice to action to be taken against the person under the relevant laws; provided that wherever it is established that these irregularities / extractions have had a direct relation to wage payments under National Rural Employment Guarantee Act and the amount shall be paid back to workers within a period of a week.

12. Role of Administration in the Social Audit Process:

The Social Audit is an independent evaluation of the work done by the implementing agency. Any attempt to interfere or influence the process by the administrative machinery will be dealt with sternly. All the official functionaries of NREGA shall cooperate in conduct of the social audit. In this context, the following responsibilities have been fixed on the officers as stated below:

a) The Project Director/Additional Project Director:

- i) Shall ensure that administrative machinery cooperates in the required manner while conducting a social audit processes. He shall ensure that the records are submitted to the social audit team without delay.
- ii) Shall necessarily attend the Social Audit Public Meetings.
- iii) Responsible for monitoring the corrective action as per the Social Audit findings including disciplinary cases as per Civil Services Rules; or criminal cases as
- iv) Shall ensure that recoveries are facilitated, and in cases where those who have indulged in embezzlement return the money. For the money so returned, receipts shall be issued; and dues paid to the wage seekers within seven days of recovery.

b) Program Officer and Additional Program officer:

- i. Shall provide copies of the records and information as requested for the social auditors immediately on filing the RTI application.
- ii. Shall communicate in writing information regarding the Social Audit process and date of the Social Audit Gram Sabha to the EGS functionaries, public representatives and wage seekers on the SA process.
- iii. Shall inform the Sarpanch of Gram Panchayat for convening of the social audit Gram Sabha on the last day of the social audit in the village.

- iv. The MPDOs /Additional Program Officers along with the EGS functionaries shall necessarily participate in the social audit public meeting.
- v. Shall take immediate corrective action on the issues arising out of social audits and shall ensure that decisions taken during Social Audit public meeting translate into administrative action.
- vi. Shall dispose off any dispute or complaint recorded in the Social Audit report
- vii. Shall give access to the village social auditors and labourers' representatives to attend the bi - weekly appraisal meetings and apprise them of the action taken by the Administration.

13. Code of conduct for the social audit personnel:

- a) The social audit teams including the SRPs, DRPs and the VSAs shall necessarily follow the code of conduct laid down below:
 - i) The social audit shall exhibit high standards of impartiality and integrity in their operation.
 - ii) They shall conduct themselves with dignity in the village.
 - iii) They shall stay only in the houses of wage seekers.
 - iv) They shall accept the food arranged by Village Organization of SHGs only. VO shall be paid Rs. 100 per day per social auditor to cover the expenses by the DRP.
- b) Services of any social auditor violating the above code of conduct shall be summarily dispensed with.

14. Monitoring of the social audit:

With a view to ensuring proper coordination between the social audit and the Government machinery, and to ensure complete objectivity in the process, Commissioner Rural Development shall constitute special task force teams at State level with senior officers of Rural Development department to cross-check the functioning of SRPs/ DRPs and the findings of the social audit report. Such Random cross-checking should help in process evaluation and transparent conduct of social audit and to dispel doubts on the social audit methodology.

15. Budget for the Social Audit Process:

The costs of establishing and running a Social Audit Cell and conduct of social audits, shall be met from administrative costs allowed for NREGS.

A copy of this order is available on the Internet and can be accessed at the address: <http://www.rd.ap.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**R. SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (RD)**

To

The Commissioner, Printing, Stationery and Stores Purchase(Printing wing) Printing Press, Chanchalguda, Hyderabad with a request to publish the Notification in the next issue of extraordinary Gazette and furnish 1000 copies to PR & RD (RD.II) Department.

The Commissioner, Rural Development, Hyderabad.

The District Collectors and District Programme Coordinators of 22 NREGS-AP Districts.

The Project Directors, DWMAs and Addl. Dist. Programme Coordinators of 22 NREGS, AP., Districts.

The Project Directors, DRDAs and Addl. Dist. Programme Coordinators of 22 NREGS-AP., Districts.

The Chief Executive Officers, ZPs and Addl. Dist Programme Coordinators of 22 NREGA, AP Districts.

The Project Officer, ITDA and Addl. Dist. Programme Coordinators of Warangal, Khammam, Adilabad, Vizianagaram, Mahabubnagar, Srikakulam and East Godavari, West Godavari and Visakhapatnam Districts.

The District Panchayat Officers of 22 NREGS-AP Districts

The Mandal Development Officers through Chief Executive Officers of 22 NREGS-AP Districts.

The Panchayat Secretaries of Gram Panchayat through Dist. Panchayat Officers of 22 NREGS-AP Districts.

The Commissioner, Panchayat Raj, AP., Hyderabad

The Commissioner, Tribal Welfare, AP., Hyderabad

The Commissioner, Social Welfare, AP., Hyderabad

The Managing Director, AP State SC Coop.Fin.Corpn.Ltd, Hyderabad

The Commissioner, AMR APARD, Rajendranagar, Hyderabad

Copy to:

The Executive Directors of District Scheduled Castes Cooperative Societies Ltd (22 NREGS-AP Districts)

The Accountant General, AP, Hyderabad
The Director of Treasuries and Accounts, A.P. Hyderabad
The Special Secretary to Chief Minister.
PS to M(RD)
PS to Minister (PR, RWS & EG).
PS to Chief Secretary to Government./Law(A)Department
PS to the Principal Secretary to Government (RD)
The PR&RD (Genl) Department, (2 Copies).

//FORWARDED :: BY ORDER//

SECTION OFFICER